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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE990351

For a certificate of public convenience and necessity authorizing the construction of transmission facilities in Fauquier County

HEARING EXAMINER'S

REPORT

September 23, 1999

HEARING EXAMINER: On August 11, 1998, Virginia Electric and Power Company filed an application requesting regulatory approval for the construction of new gas-fired turbine generator units or CTs. Initially, the Company sought to install the units either at a site in Caroline County or a site in Fauquier County. The Company subsequently amended its application to seek authority to construct four 150 megawatt combustion turbines at its Fauquier County site. The Company also requested regulatory approval for construction of transmission facilities necessary to connect those generators to the electric transmission grid.

In an order issued on May 14, 1999, in Case No. PUE980462, the Commission authorized Virginia Power to construct the four 150 megawatt combustion turbine units at the location in Fauquier County, Virginia; authorized Virginia Power to make financial expenditures for such construction; directed the Company to account separately for the fixed costs of the units; and dismissed that case from its docket of active cases. The related transmission facilities were not approved in that case or in that order.

Virginia Power proposes to build a new double-circuit 230 kV line of approximately 2,000 feet from the combustion turbine site to the existing Remington Substation. This new line would be entirely on the right-of-way of the existing 115 kV Remington to Possum Point line. The 115 kV line will then be terminated in the substation at the Remington combustion turbine site.

Virginia Power also proposes to build a double-circuit 230 kV line of approximately 2,500 feet in length on Company property. The proposed line will connect the combustion turbine site with the existing 230 kV line between Remington Substation and Warrenton. That existing line will be cut and the new lines will be connected to create a new single circuit 230 kV line from Remington Substation to the combustion turbine site and a new single circuit 230 kV line from the combustion turbine site to Warrenton.

On May the 27th, 1999, the Company filed additional supplemental direct testimony supporting Virginia Power's October 21, 1998 supplemental application for approval of construction of those transmission facilities.

On June the 14th, 1999, the Commission issued an order of notice and hearing separately docketing consideration of the transmission facilities, requiring public notice of this case and scheduling a public hearing September 23, 1999.

On the appointed day, appearances were entered by Guy T. Tripp, III, Esquire, on behalf p of the Company, and Marta Curtis, Esquire, and Don Mueller, Esquire, on behalf of the Staff.

Proof of notice as required by the Commission was marked as Exhibit A and admitted into the record.

Testimony supporting the supplemental application was also marked and received into the record from Company witnesses, Messieurs Bailey, Bates and Cox.

A Staff Report dated September 1, 1999, was also received and admitted into the record. In its report, Staff concluded that the proposed facilities are required to connect the CTs to Virginia Power's transmission network, and that the proposed facilities are the best technical and economical option available.

Staff recommended that the Company's certificate of public convenience and necessity for Fauquier County be amended to authorize the construction and operation of the 230 kV transmission facilities.

Based on the evidence received this morning, I find that:

- 1. There is a need for the 230 kV Remington transmission lines to connect the four 150 megawatt CTs in Fauquier County to the Company's transmission system as outlined in the October 21st, 1998 supplemental application and the May 27th, 1998 additional supplemental testimony;
- 2. The public convenience and necessity require construction of the proposed transmission facilities;
- 3. The Company and Staff considered alternatives to satisfy the need, but the proposed facilities are the best technical and economical option available;
- 4. The proposed route uses existing right-of-way to the maximum extent reasonably possible and is located completely on the Company's property or existing rights-of-way, and thus reasonably minimizes any adverse impact on the scenic and environmental assets of the concerned area.

I, therefore, recommend that the Commission enter an order that adopts my findings; grants the Company's application to construct and operate the proposed transmission lines pursuant to Virginia Code Sections 56-46.1 and 56-265.2 and related provisions of Title 56; amends the Company's current certificate of public convenience and necessity for Fauquier County to authorize the construction and operation of the proposed facilities, and dismisses this case from the Commission's docket of active cases upon issuance of the amended certificate.

That concludes my findings and recommendations in this case.

Deborah V. Ellenberg Chief Hearing Examiner